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SECURIT

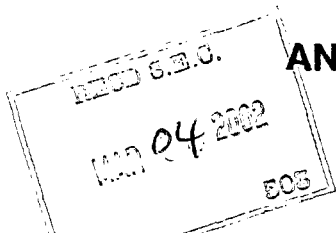


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MISSION

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|  |                    |
|--|--------------------|
| OMB APPROVAL   |                    |
| OMB Number:  | 3235-0123          |
| Expires:   | September 30, 1998 |
| Estimated average burden<br>hours per response . . . | 12.00              |



**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8-50753         |

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

American Marine Securities, Inc.

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO.      |

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

200 Park Avenue, 31st Floor

(No. and Street)

New York

NY

10166-3198

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Morten Arntzen

212-682-3344

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Hoffberg Oberfest Burger & Berger

(Name — if individual, state last, first, middle name)

711 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

|                                     |
|-------------------------------------|
| FOR OFFICIAL USE ONLY               |
| MAR 22 2002<br>THOMSON<br>FINANCIAL |


\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

BB  
3/22

## OATH OR AFFIRMATION

I, Morten Arntzen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of American Marine Securities Inc., as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature  
*Executive*  
Chief Financial Officer  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Notary Public

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FORM  
X-17A-5****FOCUS REPORT****(Financial and Operational Combined Uniform Single Report)****Part IIA Quarterly 17a-5(a)****INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17****COVER**

Select a filing method:

Basic ☒ Alternate ☐ [0011]Name of Broker Dealer: AMERICAN MARINE SECURITIES, IN  
[0013]SEC File Number: 8- 50753  
[0014]Address of Principal Place of Business: 200 PARK AVE 31ST FLOOR  
[0020]NEW YORK NY 10166-  
[0021] [0022] 3198  
[0023]Firm ID: 44628  
[0015]For Period Beginning 10/01/2001 And Ending 12/31/2001  
[0024] [0025]

Name and telephone number of person to contact in regard to this report:

Name: MORTEN ARNTZEN, CEO Phone: 212-682-3344  
[0030] [0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
[0032] [0033]Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
[0034] [0035]Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
[0036] [0037]Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
[0038] [0039]Does respondent carry its own customer accounts? Yes ☐ [0040] No ☒ [0041]Check here if respondent is filing an audited report ☒ [0042]

**ASSETS**Consolidated ☐ [0198] Unconsolidated ☒ [0199]

|  | <b>Allowable</b>         | <b>Non-Allowable</b>   | <b>Total</b>             |
|--|--------------------------|------------------------|--------------------------|
| 1. Cash  | <u>124,846</u><br>[0200] |                        | <u>124,846</u><br>[0750] |
| 2. Receivables from brokers or dealers:  |                          |                        |                          |
| A. Clearance account   | <u></u><br>[0295]        |                        |                          |
| B. Other   | <u></u><br>[0300]        | <u></u><br>[0550]      | <u>0</u><br>[0810]       |
| 3. Receivables from non-customers  | <u></u><br>[0355]        | <u></u><br>[0600]      | <u>0</u><br>[0830]       |
| 4. Securities and spot commodities owned, at market value:   |                          |                        |                          |
| A. Exempted securities   | <u></u><br>[0418]        |                        |                          |
| B. Debt securities   | <u></u><br>[0419]        |                        |                          |
| C. Options   | <u></u><br>[0420]        |                        |                          |
| D. Other securities  | <u></u><br>[0424]        |                        |                          |
| E. Spot commodities  | <u></u><br>[0430]        |                        | <u>0</u><br>[0850]       |
| 5. Securities and/or other investments not readily marketable:   |                          |                        |                          |
| A. At cost   | <u>3,300</u><br>[0130]   |                        |                          |
| B. At estimated fair value   | <u></u><br>[0440]        | <u>3,300</u><br>[0610] | <u>3,300</u><br>[0860]   |
| 6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value: | <u></u><br>[0460]        | <u></u><br>[0630]      | <u>0</u><br>[0880]       |
| A. Exempted securities   | <u></u><br>[0150]        |                        |                          |
| B. Other securities  | <u></u><br>[0160]        |                        |                          |
| 7. Secured demand notes market value of collateral:  | <u></u><br>[0470]        | <u></u><br>[0640]      | <u>0</u><br>[0890]       |
| A. Exempted securities   | <u></u>                  |                        |                          |

[0170]

## B. Other securities

[0180]

## 8. Memberships in exchanges:

## A. Owned, at market

[0190]

## B. Owned, at cost

[0650]

## C. Contributed for use of the company, at market value

[0660]

0

[0900]

## 9. Investment in and receivables from affiliates, subsidiaries and associated partnerships

[0480]

576,987

[0670]

576,987

[0910]

## 10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization

[0490]

[0680]

0

[0920]

## 11. Other assets

[0535]

522

[0735]

522

[0930]

## 12. TOTAL ASSETS

[0540]

124,846

580,809

[0740]

705,655

[0940]

**LIABILITIES AND OWNERSHIP EQUITY**

|     | <b>Liabilities</b>  | <b>A.I. Liabilities</b>     | <b>Non-A.I. Liabilities</b> | <b>Total</b>                |
|-----|---|-----------------------------|-----------------------------|-----------------------------|
| 13. | Bank loans payable  | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1045]                      | [1255]                      | [1470]                      |
| 14. | Payable to brokers or<br>dealers:                               |                             |                             |                             |
|     |   |                             |                             | <u>                    </u> |
| A.  | Clearance account   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1114]                      | [1315]                      | [1560]                      |
| B.  | Other   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1115]                      | [1305]                      | [1540]                      |
| 15. | Payable to non-customers  | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1155]                      | [1355]                      | [1610]                      |
| 16. | Securities sold not yet<br>purchased, at market value           |                             | <u>                    </u> | <u>                    </u> |
|     |   |                             | [1360]                      | [1620]                      |
| 17. | Accounts payable, accrued<br>liabilities, expenses and<br>other | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | 3,000<br>[1205]             | [1385]                      | 3,000<br>[1685]             |
| 18. | Notes and mortgages<br>payable:                                 |                             |                             |                             |
|     |   |                             |                             | <u>                    </u> |
| A.  | Unsecured   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1210]                      |                             | [1690]                      |
| B.  | Secured   | <u>                    </u> | <u>                    </u> | <u>                    </u> |
|     |   | [1211]                      | [1390]                      | [1700]                      |
| 19. | Liabilities subordinated to<br>claims of general creditors:     |                             |                             |                             |
|     |   |                             |                             | <u>                    </u> |
| A.  | Cash borrowings:  |                             | <u>                    </u> | <u>                    </u> |
|     |   |                             | [1400]                      | [1710]                      |
|     | 1. from<br>outsiders  |                             |                             |                             |
|     |   | <u>                    </u> |                             |                             |
|     |   | [0970]                      |                             |                             |
|     | 2. Includes<br>equity<br>subordination<br>(15c3-1(d))<br>of     |                             |                             |                             |
|     |   | <u>                    </u> |                             |                             |
|     |   | [0980]                      |                             |                             |
| B.  | Securities<br>borrowings, at<br>market value:<br>from outsiders |                             | <u>                    </u> | <u>                    </u> |
|     |   |                             | [1410]                      | [1720]                      |
|     |   |                             |                             | <u>                    </u> |
|     |   |                             |                             | [0990]                      |
| C.  | Pursuant to secured<br>demand note<br>collateral<br>agreements: |                             | <u>                    </u> | <u>                    </u> |
|     |   |                             | [1420]                      | [1730]                      |
|     | 1. from<br>outsiders  |                             |                             |                             |
|     |   | <u>                    </u> |                             |                             |
|     |   | [1000]                      |                             |                             |

2. Includes equity subordination (15c3-1(d)) of

|     |  |        |        |             |
|-----|--|--------|--------|-------------|
|     |  | [1010] |        |             |
| D.  | Exchange memberships contributed for use of company, at market value |        | [1430] | 0<br>[1740] |
| E.  | Accounts and other borrowings not qualified for net capital purposes | [1220] | [1440] | 0<br>[1750] |
| 20. |  | 3,000  | 0      | 3,000       |
|     | <b>TOTAL LIABILITIES</b>   | [1230] | [1450] | [1760]      |

### Ownership Equity

|     |   | Total               |
|-----|---|---------------------|
| 21. | Sole proprietorship                           | [1770]              |
| 22. | Partnership (limited partners [1020] )        | [1780]              |
| 23. | Corporations:                                 |                     |
| A.  | Preferred stock                               | [1791]              |
| B.  | Common stock                                  | 100<br>[1792]       |
| C.  | Additional paid-in capital                    | 1,548,157<br>[1793] |
| D.  | Retained earnings                             | -845,602<br>[1794]  |
| E.  | Total   | 702,655<br>[1795]   |
| F.  | Less capital stock in treasury                | [1796]              |
| 24. |   | 702,655             |
|     | <b>TOTAL OWNERSHIP EQUITY</b>                 | [1800]              |
| 25. |   | 705,655             |
|     | <b>TOTAL LIABILITIES AND OWNERSHIP EQUITY</b> | [1810]              |

**STATEMENT OF INCOME (LOSS)**Period Beginning 01/01/2001  
[3932]Period Ending 12/31/2001  
[3933]Number of months 12  
[3931]**REVENUE**

|    |  |                 |
|----|--|-----------------|
| 1. | Commissions:   |                 |
| a. | Commissions on transactions in exchange listed equity securities executed on an exchange | [3935]          |
| b. | Commissions on listed option transactions  | [3938]          |
| c. | All other securities commissions   | [3939]          |
| d. | Total securities commissions   | [3940]          |
| 2. | Gains or losses on firm securities trading accounts                                      |                 |
| a. | From market making in options on a national securities exchange                          | [3945]          |
| b. | From all other trading   | [3949]          |
| c. | Total gain (loss)  | [3950]          |
| 3. | Gains or losses on firm securities investment accounts                                   | [3952]          |
| 4. | Profit (loss) from underwriting and selling groups                                       | [3955]          |
| 5. | Revenue from sale of investment company shares   | [3970]          |
| 6. | Commodities revenue  | [3990]          |
| 7. | Fees for account supervision, investment advisory and administrative services            | [3975]          |
| 8. | Other revenue  | 4,361<br>[3995] |
| 9. | Total revenue  | 4,361<br>[4030] |

**EXPENSES**

|     |  |                   |
|-----|--|-------------------|
| 10. | Salaries and other employment costs for general partners and voting stockholder officers | 200,004<br>[4120] |
| 11. | Other employee compensation and benefits   | [4115]            |
| 12. | Commissions paid to other broker-dealers   | [4140]            |
| 13. | Interest expense   | [4075]            |
| a.  | Includes interest on accounts subject to subordination agreements                        | [4070]            |
| 14. | Regulatory fees and expenses   | 3,724<br>[4195]   |
| 15. | Other expenses   | 116,180<br>[4100] |
| 16. | Total expenses   | 319,908<br>[4200] |

**NET INCOME**



|                       |   |           |
|-----------------------|---|-----------|
| 17.                   | Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)              | (315,547) |
|                       |   | [4210]    |
| 18.                   | Provision for Federal Income taxes (for parent only)  | (142,078) |
|                       |   | [4220]    |
| 19.                   | Equity in earnings (losses) of unconsolidated subsidiaries not included above                   |           |
|                       |   | [4222]    |
| a.                    | After Federal income taxes of   |           |
|                       |   | [4238]    |
| 20.                   | Extraordinary gains (losses)  |           |
|                       |   | [4224]    |
| a.                    | After Federal income taxes of   |           |
|                       |   | [4239]    |
| 21.                   | Cumulative effect of changes in accounting principles   |           |
|                       |   | [4225]    |
| 22.                   | Net income (loss) after Federal income taxes and extraordinary items                            | (173,469) |
|                       |   | [4230]    |
| <b>MONTHLY INCOME</b> |   |           |
| 23.                   | Income (current monthly only) before provision for Federal income taxes and extraordinary items | (29,580)  |
|                       |   | [4211]    |

**EXEMPTIVE PROVISIONS**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

A. (k) (1)—Limited business (mutual funds and/or variable annuities only)

☐ [4550]

B. (k) (2)(i)—"Special Account for the Exclusive Benefit of customers" maintained

☐ [4560]

C. (k) (2)(ii)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)

☒ [4570]

Clearing Firm SEC#s

Name

Product Code

8- 43724

BEAR, STEARNS SECURITIES CORP.

All [4335B]

[4335A]

[4335A2]

8- \_\_\_\_\_

\_\_\_\_\_ [4335D]

[4335C]

[4335C2]

8- \_\_\_\_\_

\_\_\_\_\_ [4335F]

[4335E]

[4335E2]

8- \_\_\_\_\_

\_\_\_\_\_ [4335H]

[4335G]

[4335G2]

8- \_\_\_\_\_

\_\_\_\_\_ [4335J]

[4335I]

[4335I2]

D. (k) (3)—Exempted by order of the Commission

☐ [4580]

**COMPUTATION OF NET CAPITAL**

|    |   |                |                 |
|----|---|----------------|-----------------|
| 1. | Total ownership equity from Statement of Financial Condition                                    |                | <u>702,655</u>  |
|    |   |                | [3480]          |
| 2. | Deduct ownership equity not allowable for Net Capital   |                | <u></u>         |
|    |   |                | [3490]          |
| 3. | Total ownership equity qualified for Net Capital  |                | <u>702,655</u>  |
|    |   |                | [3500]          |
| 4. | Add:  |                |                 |
| A. | Liabilities subordinated to claims of general creditors allowable in computation of net capital |                | <u>0</u>        |
|    |   |                | [3520]          |
| B. | Other (deductions) or allowable credits (List)  |                |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3525A]   | [3525B]        |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3525C]   | [3525D]        |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3525E]   | [3525F]        | <u>0</u>        |
|    |   |                | [3525]          |
| 5. | Total capital and allowable subordinated liabilities  |                | <u>702,655</u>  |
|    |   |                | [3530]          |
| 6. | Deductions and/or charges:  |                |                 |
| A. | Total nonallowable assets from Statement of Financial Condition (Notes B and C)                 | <u>580,809</u> |                 |
|    |   | [3540]         |                 |
| B. | Secured demand note deficiency  | <u></u>        |                 |
|    |   | [3590]         |                 |
| C. | Commodity futures contracts and spot commodities - proprietary capital charges                  | <u></u>        |                 |
|    |   | [3600]         |                 |
| D. | Other deductions and/or charges   | <u></u>        | <u>-580,809</u> |
|    |   | [3610]         | [3620]          |
| 7. | Other additions and/or credits (List)   |                |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3630A]   | [3630B]        |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3630C]   | [3630D]        |                 |
|    | <u></u>   | <u></u>        |                 |
|    | [3630E]   | [3630F]        | <u>0</u>        |
|    |   |                | [3630]          |
| 8. | Net capital before haircuts on securities positions   |                | <u>121,846</u>  |
|    |   |                | [3640]          |
| 9. | Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):                     |                |                 |
| A. | Contractual securities commitments  | <u></u>        |                 |
|    |   | [3660]         |                 |
| B. | Subordinated securities borrowings  | <u></u>        |                 |
|    |   | [3670]         |                 |
| C. | Trading and investment securities:  |                |                 |
| 1. | Exempted securities   | <u></u>        |                 |
|    |   | [3735]         |                 |
| 2. | Debt securities   | <u></u>        |                 |
|    |   | [3733]         |                 |
| 3. | Options   | <u></u>        |                 |
|    |   | [3730]         |                 |
| 4. | Other securities  | <u></u>        |                 |
|    |   | [3734]         |                 |

|     |                     |         |         |
|-----|---------------------|---------|---------|
| D.  | Undue Concentration |         |         |
|     |                     | [3650]  |         |
| E.  | Other (List)        |         |         |
|     |                     | [3736A] | [3736B] |
|     |                     | [3736C] | [3736D] |
|     |                     | [3736E] | [3736F] |
|     |                     | 0       | 0       |
|     |                     | [3736]  | [3740]  |
| 10. | Net Capital         |         | 121,846 |
|     |                     |         | [3750]  |

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

#### Part A

|     |   |        |         |
|-----|---|--------|---------|
| 11. | Minimum net capital required (6-2/3% of line 19)  |        | 200     |
|     |   | [3756] |         |
| 12. | Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u> |        | 100,000 |
|     |   | [3758] |         |
| 13. | Net capital requirement (greater of line 11 or 12)  |        | 100,000 |
|     |   | [3760] |         |
| 14. | Excess net capital (line 10 less 13)  |        | 21,846  |
|     |   | [3770] |         |
| 15. | Excess net capital at 1000% (line 10 less 10% of line 19)   |        | 121,546 |
|     |   | [3780] |         |

### COMPUTATION OF AGGREGATE INDEBTEDNESS

|     |   |         |         |
|-----|---|---------|---------|
| 16. | Total A.I. liabilities from Statement of Financial Condition                          |         | 3,000   |
|     |   |         | [3790]  |
| 17. | Add:  |         |         |
| A.  | Drafts for immediate credit   |         |         |
|     |   | [3800]  |         |
| B.  | Market value of securities borrowed for which no equivalent value is paid or credited |         |         |
|     |   | [3810]  |         |
| C.  | Other unrecorded amounts(List)  |         |         |
|     |   | [3820A] | [3820B] |
|     |   | [3820C] | [3820D] |
|     |   | [3820E] | [3820F] |
|     |   | 0       | 0       |
|     |   | [3820]  | [3830]  |
| 19. | Total aggregate indebtedness  |         | 3,000   |
|     |   |         | [3840]  |
| 20. | Percentage of aggregate indebtedness to net capital (line 19 / line 10)               | %       | 2       |
|     |   |         | [3850]  |

**OTHER RATIOS**

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) % 0  
[3860]

STATEMENT PURSUANT TO PARAGRAPH (d) (4) of Rule 17a-5

There are no material differences between this computation of excess net capital and aggregate indebtedness, and the corresponding computation prepared by American Marine Securities, Inc, and included in its unaudited Part IIA FOCUS Report filing as of the same date.

**SCHEDULED WITHDRAWALS**

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

| Type of<br>Proposed<br>Withdrawal<br>or Accrual | Name of Lender or Contributor | Insider<br>or<br>Outsider | Amount to be<br>Withdrawn (cash<br>amount and/or Net<br>Capital Value of<br>Securities) | Withdrawal or<br>Maturity Date<br>(MMDDYYYY) | Expect<br>to<br>Renew |
|---|-------------------------------|---------------------------|---|--|-----------------------|
| __ [4600]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4601]                        | [4602]                    | [4603]  | [4604]                                       | [4605]                |
| __ [4610]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4611]                        | [4612]                    | [4613]  | [4614]                                       | [4615]                |
| __ [4620]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4621]                        | [4622]                    | [4623]  | [4624]                                       | [4625]                |
| __ [4630]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4631]                        | [4632]                    | [4633]  | [4634]                                       | [4635]                |
| __ [4640]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4641]                        | [4642]                    | [4643]  | [4644]                                       | [4645]                |
| __ [4650]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4651]                        | [4652]                    | [4653]  | [4654]                                       | [4655]                |
| __ [4660]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4661]                        | [4662]                    | [4663]  | [4664]                                       | [4665]                |
| __ [4670]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4671]                        | [4672]                    | [4673]  | [4674]                                       | [4675]                |
| __ [4680]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4681]                        | [4682]                    | [4683]  | [4684]                                       | [4685]                |
| __ [4690]                                       | _____                         | _____                     | _____   | _____  | _____                 |
|   | [4691]                        | [4692]                    | [4693]  | [4694]                                       | [4695]                |
|   | TOTAL                         |                           | 0   |  |                       |
|   |                               | \$                        |   |  |                       |
|   |                               |                           | [4699]  |  |                       |
|   |                               |                           | Omit Pennies  |  |                       |

**Instructions** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

| Withdrawal Code | Description                  |
|-----------------|------------------------------|
| 1               | Equity Capital               |
| 2               | Subordinated Liabilities     |
| 3               | Accruals                     |
| 4               | 15c3-1(c)(2)(iv) Liabilities |

**STATEMENT OF CHANGES**


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**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

|    |  |          |           |
|----|--|----------|-----------|
| 1. | Balance, beginning of period                   |          | 562,097   |
|    |  |          | [4240]    |
| A. | Net income (loss)                              |          | (173,469) |
|    |  |          | [4250]    |
| B. | Additions (includes non-conforming capital of  |          | 314,027   |
|    |  | [4262] ) | [4260]    |
| C. | Deductions (includes non-conforming capital of |          |           |
|    |  | [4272] ) | [4270]    |
| 2. | Balance, end of period (From item 1800)        |          | 702,655   |
|    |  |          | [4290]    |

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

|    |   |  |        |
|----|---|--|--------|
| 3. | Balance, beginning of period            |  | [4300] |
| A. | Increases                               |  | [4310] |
| B. | Decreases                               |  | [4320] |
| 4. | Balance, end of period (From item 3520) |  | [4330] |

AMERICAN MARINE SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2001

|   |                   |
|---|-------------------|
| Cash flows from operating activities    |                   |
| Net loss                                | \$(173,469)       |
| Adjustments                             |                   |
| Capital contributions by parent company | 314,027           |
| Receivable from parent company          | <u>(142,078)</u>  |
| Net cash used for operating activities  | (1,520)           |
| Cash at beginning of year               | <u>126,366</u>    |
| Cash at end of year                     | <u>\$ 124,846</u> |

Note 1 - The Company is a wholly-owned subsidiary of American Marine Advisors, Inc. (Parent Company). It is a broker/dealer which services both retail and institutional accounts. It clears its transactions through Bear Stearns Securities Corp. on a fully disclosed basis. The Company had no operating revenues in 2001.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

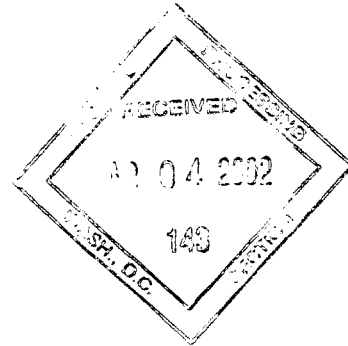
Note 2 - For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note 3 - The Company currently shares rental premises with its parent company. Rent expense, including utilities, aggregated \$37,611 for 2001. In addition, the Company is charged for use of office facilities and allocated payroll costs. Such amounts aggregated \$75,000 and \$200,004 respectively.

Note 4 - The Company's operations are included in a consolidated income tax return filed with its parent company. The amount due from the parent company represents the estimated income tax benefits arising from such consolidation.

Note 5 - From time to time the Company maintains bank balances which are in excess of FDIC insurance limits.





AMERICAN MARINE SECURITIES, INC.

FORM X-17A-5 FOCUS REPORT PART IIA

DECEMBER 31, 2001

**Hoffberg  
Oberfest  
Burger &  
Berger**

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Certified  
Public  
Accountants

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711 Third Avenue  
New York NY 10017  
212 661 8640

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
American Marine Securities, Inc.

We have audited the Form X-17A-5 Focus Report Part IIA of American Marine Securities, Inc. as of December 31, 2001, and the related statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Form X-17A-5 Focus Report Part IIA and the related statement of cash flows referred to above present fairly, in all material respects, the financial position of American Marine Securities, Inc. as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 4, 2002